

Message Text

LIMITED OFFICIAL USE

PAGE 01 SOFIA 01569 211110Z
ACTION EUR-12

INFO OCT-01 ISO-00 EB-07 DODE-00 NSAE-00 USIA-06
TRSE-00 ERDA-05 CIAE-00 /031 W
-----014456 211817Z /46
R 210905Z JUL 77
FM AMEMBASSY SOFIA
TO USDOC WASHDC
INFO SECSTATE WASHDC 3271

LIMITED OFFICIAL USE SOFIA 1569

E.O. 11652: NA
TAGS: ESTC, EEWT, BU
SUBJECT: COMPUTER SYSTEMS TO BULGARIAN NATIONAL BANK (BEWT CASE
NO. 227305) AND FOR STATE PLANNING COMMISSION

REF: A) SOFIA 1062; B) SOFIA 1559

1. REF B REPORTS FROM AUTHORITATIVE BULGARIAN SOURCE THAT
GOB CONSIDERS IT HAS VALID CONTRACT ONLY WITH SPERRY UNIVAC
AND THAT IF BURROUGHS BELIEVES BULGARIANS ARE IN BREACH OF
CONTRACT THEY SHOULD GO AHEAD AND TAKE APPROPRIATE ACTION
BUT IT WILL NOT CHANGE GOB DECISION TO DO BUSINESS WITH
SPERRY. IT SEEMS TO US THAT THIS DISPUTE COULD BE LONG DRAWN-
OUT AND COULD PERHAPS JEOPARDIZE A MAJOR CONTRACT. WE ARE
NOT CERTAIN HERE WHETHER USG, WHICH HAS ISSUED EXPORT LICENSE
TO A FIRM WITH WHOM THE BULGARIANS NO LONGER WANT TO DO BUSI-
NESS, HAS TO WAIT UNTIL THIS DISPUTE HAS BEEN SETTLED.

2. SPERRY SAYS IT HAS RECEIVED A TEN PERCENT DOWN PAYMENT
AND IS GOING AHEAD WITH TRAINING FIVE TO SEVEN BULGARIAN
ENGINEERS IN ITS OFFICES IN EUROPE (IN AUGUST) AND WILL BRING
PEOPLE HERE TO TRAIN BULGARIAN TECHNICIANS IN MAINTENANCE
(IN SEPTEMBER). SPERRY IS THUS PROCEEDING ON ASSUMPTION
THAT THEY WILL BE ABLE TO OBTAIN AN EXPORT LICENSE

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SOFIA 01569 211110Z

IRRESPECTIVE OF ANY DISPUTE BETWEEN BURROUGHS AND THE
BULGARIAN IMPORTER.

3. ON THE OTHER HAND BURROUGHS SAYS THE BULGARIAN CLAIM
THAT THEY CAME UP WITH EXPORT LICENSE AFTER EXPIRATION OF
DEADLINE IN THEIR CONTRACT WAS DUE TO DELAY IN BULGARIAN
RESPONSES TO QUESTIONS FROM OFFICE OF EXPORT ADMINISTRA-

TION; THAT BULGARIAN FIRM ISOTIMPEX "WAIVED" THE RIGHT TO CANCEL WHEN BURROUGHS VICE PRESIDENT MCCOLLISTER CAME HERE IN MARCH AND INFORMED IT THAT USG WOULD GRANT BURROUGHS THE LICENSE; AND THAT IF ONE WISHES TO INVOLVE TECHNICALITIES ISOTIMPEX ITSELF IS IN BREACH OF CONTRACT FOR FAILING TO MAKE THE DOWN PAYMENT THAT IT CALLED FOR.

4. WE NOTE THAT THE EQUIPMENT WHICH BURROUGHS PROPOSED TO PROVIDE HAD BEEN MODIFIED SOMEWHAT AT SUGGESTION OF EXPORT ADMINISTRATION TO ENSURE POSITIVE ACTION ON LICENSE APPLICATION AND THUS WAS NOT IN ALL RESPECTS WHAT WAS CALLED FOR IN THEIR CONTRACT. IT IS INTERESTING, HOWEVER, THAT NEITHER IN THEIR CORRESPONDENCE WITH BURROUGHS NOR IN CONVERSATIONS WITH US HAVE BULGARIAN OFFICIALS CLAIMED THAT CAPACITY OF THE COMPUTER SYSTEM WHICH BURROUGHS AND/OR SPERRY PROPOSED TO PROVIDE HAS ANYTHING TO DO WITH THE BULGARIAN DECISION TO DO BUSINESS WITH SPERRY RATHER THAN BURROUGHS.

5. IT SHOULD PERHAPS BE RECALLED HERE, IN CASE THE MATTER WAS NOT SUFFICIENTLY HIGHLIGHTED IN PARAS 2 AND 6 REF A, THAT SPERRY HAS TWO CONTRACTS (FOR NATIONAL BANK AND STATE PLANNING COMMISSION) WHEREAS BURROUGHS NEVER HAD MORE THAN ONE (FOR NATIONAL BANK). ALTHOUGH THEY DO NOT GIVE THIS AS ONE OF THE REASONS FOR THE BURROUGHS CANCELLATION, THE BULGARIANS ARE MAKING IT CLEAR THAT LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SOFIA 01569 211110Z

THEY PREFER THE TWO SYSTEMS TO BE PROCURED FROM A SINGLE SOURCE FOR REASONS OF TRAINING, MAINTENANCE, AND SPARE PARTS.

6. IS THERE ANYTHING WE OR COMMERCE CAN DO TO SORT THIS MATTER OUT SO THAT IT WILL NOT DRAG ON INDEFINITELY?
HERZ

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, COMPUTERS, STRATEGIC TRADE CONTROLS, BANKS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977SOFIA01569
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770259-1166
Format: TEL
From: SOFIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770733/aaaabccx.tel
Line Count: 101
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 24daea65-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 SOFIA 1062, 77 SOFIA 1559
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05-Apr-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1789370
Secure: OPEN
Status: NATIVE
Subject: COMPUTER SYSTEMS TO BULGARIAN NATIONAL BANK (BEWT CASE NO. 227305) AND FOR STATE PLANNING COMMISSION
TAGS: ESTC, EEWT, BU, US, STATE
To: COM
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/24daea65-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009